

Justice in the Global Work Life: The Right to Know, to Participate, and to Benefit in Sustainable Industrial Transformations^{*}

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Work and the workplace are essential elements of industrial and industrialising economies. Work is combined with physical and natural capital to produce goods and services. The workplace is the place where the comparative advantages of workers and owners/managers create a market for exchange of talents and assets. Beyond markets, work provides both a means of engagement of people in the society, and an important social environment and mechanism for enhancing self-esteem. Finally, work is the main means of distributing wealth and generating purchasing power in dynamic national economic systems. This essay explores the complex relationship between employment and the globalising economy which presents new challenges and opportunities for work in both industrialised and industrialising countries.

‘Globalisation’ has at least three distinct meanings [1], with different implications for workers and working life. ‘Internationalisation’ is the expansion of product/service markets abroad, facilitated by information and communication technology (ICT) and e-commerce, with the locus of production remaining within the parent country. ‘Multi-nationalisation’ is where a (multi-national) company establishes production/service facilities abroad, to be nearer to foreign markets and/or to take advantage of more industry-friendly labour, environmental, and tax policies, while maintaining research-and-development (R&D) and innovation-centered activities in the parent country. The third meaning is the creation of strategic alliances, what some call ‘transnationalisation,’ in which two different foreign enterprises merge/share their R&D and other capabilities to create a new entity or product line. Those concerned with enhancing trade are especially worried about barriers to internationalisation, while those concerned with possible erosion of labour/environmental standards bemoan the consequences of multinationalisation. Transnationalisation may lead to industrial restructuring with unpredictable consequences for national economies. All three kinds of globalisation raise questions of excessive market, and hence political power where concerns for profits overwhelm democratic and ethical values.

Globalisation raises new challenges for governance, especially vis-à-vis the roles of government, workers, and citizens in the new economic order. Within nation-states, the extent to which the ‘externalities’ of production – adverse health, safety, and environmental effects – are internalised differ according to the differential success of regulation/compensation regimes and the extent to which economies incorporate the ethics of fair play in their practices. There has been a constant struggle to establish good labour and environmental standards/practices within nations. With the advent of globalised, competition-driven markets, attention has now shifted to the harmonisation of standards through ILO conventions and multi-lateral environmental agreements, with only a modicum of success. Countries are slow to give up national autonomy, and only where

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there is a trend toward significant economic integration (as in the EU) are there successes at harmonisation. But globalisation has brought an even more complex set of challenges through the creation of trade regimes – such as the WTO, ASEAN, and NAFTA – where the term ‘fair trade’ means the elimination (or equalisation) of tariffs and so-called non-tariff trade barriers, which place labour and environmental standards at odds with trade objectives.

The trade regimes promote international laissez faire commerce; and rights-based law/protections and market economics have become competing paradigms for public policy and governance. Government plays very different roles when it acts as a facilitator or arbitrator to resolve competing interests, than when it acts as a trustee of worker and citizen interests to ensure a fair outcome of industrial transformations [2]. The differences are pronounced when stakeholders have largely disparate power – or when some are not represented in the political process, as in the case of emerging or new technology-based firms.

John Rawls argues that no transformation in a society should occur unless those that are worse off are made relatively better off [3]. Operationalising a Rawlsian world has its difficulties, but law operates to create certain essential rights that enable just and sustainable transformations. These include the right-to-know, the right to participate in decisions affecting one’s working/non-working life, and the right to benefit from transformation of the state or global economy. Struggles won at the national level are now being eroded by a shift in the locus of commerce. Without consensus about fair play and the trustee institutions to ensure fair distributions from, and practices in, the new global economy, equity and justice cannot be achieved. It is now agreed that future development must be ‘sustainable,’ but that means different things to different commentators.

Sustainable development must be seen as a broad concept, incorporating concerns for the economy, the environment, and employment. All three are driven/affected by both technological innovation [4] and globalised trade [5], [6]. They are also in a fragile balance, are inter-related, and need to be addressed together in a coherent and mutually reinforcing way [7].

Technological innovation and trade drive national economies in different ways [8]. The former exploits a nation’s innovative potential, the latter its excess production capacity. Innovation-based performance is enhanced by technological innovation and changing product markets, characterized by fluid, competitive production. Cost-reduction strategies are enhanced by increased scales of production and/or automation, usually characterised by rigid, mature monopolistic production. Economies seeking to exploit new international markets may enjoy short-term benefits from revenues gained as a result of production using existing excess capacity, but they may ultimately find themselves behind the technological curve. Performance-driven markets may be slower to gain profits, but may outlast markets driven by cost-reduction strategies. The consequences for workers may differ as well.

Increasing labour productivity, defined as output per unit of labour input, is a concern in nations pursuing either strategy. But labour productivity can be improved in different ways: (1) by utilizing better tools, hardware, software, and manufacturing systems, (2) by increasing workers’ skills, and (3) by a better matching of labour with physical/natural capital and with information and communication technologies (ICT). Theoretically, increasing worker productivity lowers the costs of goods and services,

thereby lowering prices -- and ultimately increasing the demand and sale of goods and services. Depending on the markets, more workers may be subsequently hired, than displaced as a consequence of needing fewer worker to produce a given quantity of goods and services. This optimistic scenario assumes a continual throughput society with increasing consumption. However, the drive toward increased consumption may have dire consequences for the environment [9]. In addition, questions arise as to whether, in practice, (1) labour is valued, and paid, more or less after productivity improvements, (2) there are positive or negative effects on job tenure and security, and (3) more workers are hired than displaced. The answers depend on the sources of the increases in worker productivity and the basis of a nation's competitiveness.

Innovation-based performance competitiveness presents opportunities for skill enhancement and building optimal human-technology interfaces, while cost-reduction strategies focus on lean production (with worker displacement), flexible labour markets, and knowledge increasingly embodied in hardware and software rather than in human capital. The consequences for workers are different for these two strategies. The former strategy rewards and encourages skill acquisition for many, with appropriate financial benefits for those workers. The latter creates a division between workers, some of whom are necessarily upskilled and many whose job content is reduced. Different national strategies might be pursued, reflecting different domestic preferences and culture, but there are further implications, depending on the extent to which trade drives the economy. Interestingly, the US is globalising and focusing on expanding markets abroad, while the EU is selling a smaller amount and percentage of goods and services outside its borders, focusing instead on integrating its internal markets in which its various members compete on performance. In the US, wage disparities are large and increasing, while in some parts of the EU – notably the Netherlands – wage disparities are much smaller and decreasing.

The changing global economy, however, presents challenges for all nations as concerns for the number of jobs, job security, wages, and occupational health and safety increase. In the private sector, labour needs a role in choosing and implementing information-based technologies; in the public sector there is a need for integrating industrial development policies with those of employment, occupational health and safety, and environment. From the perspective of labour, these require implementation of the right to know, the right to participate, and the right to benefit from industrial transformations.

The right to know has been described previously [10] and includes the workers' right to know/have access to, and the employer's/manufacture's corresponding duty to inform/warn workers about scientific, technological, and legal information. Scientific information includes chemical or physical hazard/risk information related to product or material ingredients, exposure, health effects, and individual or group susceptibility [11]. As important as information about hazards is, information about technology is the key to workers being able play a role in reducing risks. This kind of information includes not only knowledge about pollution/accident control and prevention technology, but also technology options for industrial production. Knowing how production might be changed to make it inherently cleaner and safer, and the source of more rewarding, meaningful work, is a *sine qua non* of being able to participate meaningfully in firm-based decisions (see below). Finally, information about legal rights and obligations is crucial for using legal and political avenues for workplace improvement and redress from harm.

The right to know is made operational through the right of workers to participate in (1) the technology choices of the firm (through technology bargaining and system design) [12], (2) firm-based training, education, and skill enhancement, (3) national and international labour market policies, and (4) in the setting of national and international labour standards. While national unions enable workers to work with employers through industrial relations systems, and ILO utilizes a tripartite system that includes labour, management and government, the trade regimes mentioned earlier give little or no participatory rights to labour (or environmentalists) in global economic activities which have potentially significant effects on wages and working conditions. As trade becomes an important part of national economies, this omission needs to be corrected [13]. Ironically, under the WTO importing countries can restrict imports or place countervailing duties on items that harm their environment, but there is no 'equalising action' that can be taken if the exporting countries produce those goods unsafely or with adverse environmental effects within their own borders. This reinforces non-enactment or non-enforcement of national health, safety, or environmental laws in the exporting countries, to the detriment of their own workers and citizens. Further, countries may be reluctant to ratify or adopt international accords – including ILO or multi-lateral environmental agreements – in hopes of maintaining or gaining short-term competitive advantage.

Finally, and at the core of justice in the global work life, is the right of working people to benefit from industrial transformations. The right to know and right to participate are essential, but the ultimate rights are those of a fair division of the fruits of the industrial or industrializing state -- and a safe and healthful workplace. This translates into sufficient job opportunities, job security, and purchasing power, as well as rewarding, meaningful, and safe employment. This can not be left to chance or serendipitous job creation. In formulating policies for environmental sustainability, economic growth and environmental quality are simultaneously optimized, rather than having environmental interventions occur after harmful technologies are in place. Instead, we seek to design and implement cleaner and inherently safer production. Employment concerns deserves no less a place in center stage; growth, environment *and* employment must be co-optimised. Systemic changes must be pursued and selected that intentionally benefit employment. Even with better prospects for employment, in an industrial system that continues to replace labour with physical capital, increasing worker capital ownership and access to credit [14] that turns workers into owners may be an additional necessary long-term option if disparities of wealth and income prevail.

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